4:Grajdanzev--75-76 S-4 (no date) 1942 Formosans
116, 311, 421, 427, 565

"Let us now turn to the investigation of the problem of tenancy. Its economic importance lies in the fact that (1) a large portion of the farmer's income is paid out for rent on land, and (2) the farmer is less interested in preserving the fertility of the land and in making improvements, because the land does not belong to him and may be taken from him at or even before the expiry of the lease. From the social point of view the phenomenon of tenancy is important in that it often creates an idle class of landlords or rich farmer-owners and a class of poverty-stricken tenants. The widespread existence of tenancy makes average figures for the agricultural population meaningless because on the extreme there are rich landlords and on the other poor tenants. In order to be able to judge more or less correctly the importance of tenancy we should know: (1) the number of farmer-owners, part-owners (i.e. those who own some land, but are compelled to rent additional acreage), and tenants; (2) the area which is farmed and the amount owned of that farmed by each of these groups; (3) the division of each of these groups into at least three [76] sub-groups—large, medium, and small—in order to see whether each of these groups is uniform since, for example, the tenant who rents one ko and the tenant who rents 50 ko belong to quite different groups; (4) the conditions of the rent. The available statistics for Taiwan throw light on but few of these elements."

4:Grajdanzev--78-79 S-4 (no date) 1942 Formosans-1-3
116, 178, 427, 565

"As to the distribution of land between landowners by size of holdings, we have figures for 1930 and partial figures for 1932. We shall divide the farmers into four groups: (1) landowners with holdings of less than half a ko (less than 1.2 acre); (2) landowners with holdings of half a ko to one ko; (3) landowners with holdings of one ko to five ko; (4) those with holdings above five ko (above 11.9 acres).

Distribution of Landowners by Size of Holdings, 1930

Size of landholdings (ko)	0-0.49	0.5-0.99	1.0-4.99	5.0 and over	Total
Number (1,000)	172.9	86.7	122.4	23.1	405.1*
Percentage	42.7	21.4	30.2	5.7	100.0
Area (1,000 ko)	41.0	62.5	258.6	359.2	721.3
Percentage	5.7	8.7	35.8	49.8	100.0
Average area per holding (ko)	0.42	0.72	2.1	15.5	1.78

* It is important to note that the number of owners as given here is considerably greater than the number shown in more recent statistics. For 1932 the earlier figure was 340,674, whereas the current statistics (Takumu Tokei, 1938, published in 1940) give the number of owners and part-owners for 1932 as only 251,300; this is another indication of our point that the current official statistics probably understate the number of those occupied in agriculture.

Source: Ibid.

We see from this table that 42.7 per cent of the owners are decidedly small owners: their average holding is only 0.24 ko or less than 0.6 acre. They cannot exist on such a strip of land but must rent some land from rich landowners. In other words, almost half of the landowners are such in name only; they have enough land only for a house, a yard, and a kitchen-garden. Another 21.4 per cent of the owners are in a better position but not much better. Thus 64.1 per cent of the total number of landowners in Taiwan in 1930 had on the average less than 2.4 acres each. At the other end of the social scale, 5.7 per cent of the landowners owned 49.8 per cent of land, [79] or one-half of the total cultivated area. We may go farther and say that 126 persons (or corporations), 0.05 per cent of the total number of landowners possessed 94,072 ko—or 13.1 per cent of the total cultivated area. (1) Only thirty per cent of the owners are in the middle category. As regards

1. These figures are probably now out of date. In Kabushiki Kaisha Nenkan, 1940, five sugar companies and one canning company are listed as owning 81,634 ko of land in Taiwan.

the distribution of land among owners, Taiwan is a country of contrasts. Rich owners, although outnumbered eleven times to one by small owners, had nine times as much land. Thus on the average a rich owner had one hundred times more land than one in the first

two groups. This is extremely important for it shows that the farmers in Taiwan are divided into groups of unequal economic strength with extremes prevailing, so that the situation of the masses of the agricultural population is less satisfactory than the average figures calculated above would suggest. The Japanese government has not solved this question in Japan proper and it has not solved it during forty-five years of its administration in Taiwan."

116, 241, 311, 427, 565

"The figures given above refer to landownership. But the owners of small plots may increase their holdings by renting land. Some economists see the chief advantage of tenancy in the fact that it permits a capable farmer to get as much land as he is able to utilize. We give above the statistics of the size of the farms as actually operated in 1930 [See p. 79, category 116--analyst].

The picture is about the same as that of ownership. More than 30 per cent of the farmers till on the average less than 0.5 ko each (0.62 acres); 53 per cent till on the average less than one ko (less than 1.71 acre) and 77 per cent of the farmers till less than 2 ko (less than 3.39 acres). But 4.5 per cent tilled 30 per cent of the total area, while 579 farmers (or corporations) tilled 66,410 ko. There are therefore a considerable number of very large plantations in Taiwan, chiefly of sugar cane, bananas, pineapples, and tea. These are figures for 1930 and it is quite possible that even then the investigation did not cover all farmers. (1)

1. An indirect proof of this is that a similar investigation made in 1932 covered 340,000 farming families as compared with 405,000 in 1930.

Since 1930 the plantation area has increased sharply, so that the picture should be by now even less favorable. We have no statistics of land ownership by nationalities, but it is well known that all, or almost all, plantations belong to big Japanese companies.

116, 241, 311, 427, 565

However, it is clear that among Chinese farmers too, there is a sharp division in respect to landownership—there are wealthy Chinese owners, who though few in number, are very important by virtue of the power they wield."

4:Grajdanzev--134-136 S-4 (no date) 1942 Formosans-1-5
116, 434, 565, 651, 177.65 Japan
636.65

"Taxes may be of different types--some falling chiefly on the rich, whose ability to pay is, of course, greater than that of the average farmer. We do not have necessary information for a detailed analysis of how the tax burden is distributed between these two groups, but what is available gives clear indications. We have divided the taxes into two groups: (a) taxes on the recipients of large incomes; (b) taxes on the masses.

Taxation and Net Monopoly Receipts in 1,000 Yen

A. Taxes on the recipients of high incomes:

	1935	1936	1937	1938	1939
		settled accounts		budget	budget estimates
Income Tax	3,873	5,285	9,538	13,024	12,395
Tax on capital		5	189	352	855
Mining Tax	200	203	291	353	327
Special profit tax	1,016	1,575	2,761	4,979	2,444
Tax on distribution of dividends		335	425	394	850
Inheritance tax			105	279	305
Total	5,089	7,403	13,309	19,381	17,176

B. Taxes on the masses of the population:

	1935	1936	1937	1938	1939
	settled accounts			budget	budget estimates
Land tax	7,492	7,742	7,938	8,342	8,342
House tax					1,312
Business tax a)			2,931	3,290	2,726
Tax on sugar	3,320	3,461	4,050	6,702	5,215
Tax on alcohol b)	3,698	3,845	2,913	169	100
Taxes on other commodities	2	177	275	393	826
Customs duties and other duties connected with them	2,611	3,326	2,574	1,846	1,817
Stamp duty	5,107	7,271	7,220	7,653	5,926
Monopolies, net receipts	24,555	28,968	29,652	32,845	32,568
Net profits from text-book sales c)	103	29	75	74	24

[135]

	1935	1936	1937	1938	1939
	settled accounts			budget	budget estimates
Profit on weights and measures d)	179	209	206	331	341
Fines and confiscations e)	1,091	529	224	362	224
Tax on railway fares				205	202
Admission ticket tax				116	124
Tax on construction					152
Amusement tax					188
Other taxes	731 f)	1,213 f)	1,200 f)	164	907
Total	48,889	56,770	59,258	62,492	60,994
The same as percentages of total					
Group A.	9.4	11.5	18.3	23.6	22.0
	90.6	88.5	81.7	76.4	78.0

a) We include business taxes in this group because it is legitimate to suppose that they are shifted by the business men to the population.

b) The fall of receipts from the tax on alcohol in the last two years is due to the introduction of a state alcohol monopoly.

c) Formally this is not a tax, but a surplus remaining after deduction of expenditures on printing of textbooks from receipts. However, state profits derived from the sale of textbooks to school pupils hardly can be considered otherwise than a tax.

d) As in the preceding item this represents a surplus from a form of fiscal monopoly.

e) Formally fines and confiscations are not taxes. But their regularity (they are foreseen in the budget) and their amounts show they are not 'casual' receipts. They fall, mainly, on the Chinese population.

f) Chiefly receipts from the taxation of surplus issues of Bank of Taiwan notes.

From this table it may be seen that about 80 to 90 percent of the taxes fall on the masses of the population and only 10 to 20 percent on the wealthier groups. The percentage of taxes contributed by the well-to-do rose from 9.4 in 1935 to 22.0 in 1939, but it would be a mistake to suppose that this implies a change of policy: the exigencies of wartime and the already oppressive burden of taxes on the masses make it more and more difficult to increase that burden. Under these conditions, heavier taxation of the rich is a necessity, but the government prefers to borrow from them, not to tax them: the loans amounted to six million yen in 1939 and are expected to amount to 17 million yen in 1941.

The actual tax-burden on the masses as compared with the wealthy is considerably

greater if we include provincial and [136] local taxes. We have no data on the exact distribution of local taxes, but provincial taxes can be measured. Provincial taxes are surtaxes, calculated as a percentage of the corresponding government-general taxes. Their rates are as follows:

Surtax on income tax	18%	of income tax
Surtax on land tax	90-100%	of land tax
Surtax on business tax	70-80%	of business tax
Surtax on house tax	120-150%	of house tax

These rates show that surtax on income tax (which falls chiefly on the recipients of high incomes) is only 18%, while surtaxes on taxes falling on the masses of population range from 70 to 150%."

4:Grajdanzev--136 S-4 (no date) 1942 Formosans
116, 171, 565

"We have no data on municipal taxes, but judging by those of the government-general and the provinces, the system is the same as in Japan, where municipal taxes in the budget of 1939 were distributed in the following way:

Land tax	11 %
House tax	17.3%
Business tax	11.7%
Miscellaneous taxes	11.9%
Special tax	42.5%
Other Income tax	5.6%
Total tax receipts	100.0%"

4:Grajdanzev--152-153 S-4 (no date) 1942 Formosans-1-2
116, 273, 511, 563, 439, 565

"The remaining imports —— imports for consumption —— should be divided, wherever possible, into two parts —— consumption by Japanese and consumption by Chinese. Without attempting any detailed analysis we may make a few remarks on the basis of the material available. In 1939, for example, 2 million yen worth of condensed milk was imported, as well as 7 million yen worth of sake and 5 million yen worth of beer, not including local production of sake and beer. Neither sake nor beer are Chinese drinks; they are consumed chiefly by 100,000 Japanese male adults and by the troops stationed there. To take another example, in 1939 48.6 million yen worth of fabrics and clothing, including shoes, hats, gloves, buttons, pearls, combs, bracelets, laces, etc. were imported into Taiwan. From this amount 8.1 million yen worth of gunny sacks should be deducted, leaving a balance of 40.1 million. If Japanese residents were able in 1939 to spend 12 million yen on drinks (not including locally produced and consumed beverages), they probably spent not less than double this sum on clothing, shoes and other personal articles (1) which—with a [153] few unimportant exceptions—are imported from Japan.

1. That this is not an overestimate may be judged from the following figures: 77.2 yen per person per year or about 25 yen per family per month can hardly be considered as excessive for clothing (including shoes, etc.) in a country where, for example, one yard of muslin cost 1.34 yen. In a special investigation conducted in 1937-1938, which covered 355 Japanese families with 1,397 members, the average

monthly income of a family was 184.6 yen, of which 23.6 yen was spent on food, 16.9 yen on lodging, leaving an ample margin for clothing and other expenditures. (Data on budgets from the Toyo keizai tokei geppo, July, 1940). An investigation conducted in Japan proper in 1936-1937, only one year earlier than the investigation in Taiwan mentioned above, gives the average expenditure on clothing of 10.18 yen per month for persons with an average salary of 88.37 yen; for the low income brackets it was 3.43 yen, for higher (about 100 yen), 12.18 yen. In our case the average salary is 184.6 yen, so that an expenditure of 25 yen on clothing is quite probable. See Kakei chosa hokoku, (Naikaku tokei kyoku) Tokyo, March, 1938.

If this is true , then not more than 3 yen per capita were spent on imported clothing by the Chinese in 1939 (2). But, as was pointed out in the preceding pages, the Chinese

2. The correctness of our estimate is supported by the budget estimates made by the government officials in 1936 and quoted by Nasu (op. cit.). According to them, the per capita annual expenditure on clothing of a representative Taiwanese farmer was 6.02 yen in 1936. This figure includes imported and locally produced clothing (shoes, hats, etc.) whereas our estimate is for the imported textiles only.

society in Taiwan is not uniform. Its wealthier members spend on clothing many times more than the small farmers, workers, or tenants."

4:Grajdanzev--153 S-4 (no date) 1942 Formosans
565

"The Chinese society in Taiwan is not uniform. Its wealthier members spend on clothing many times more than the small farmers, workers, or tenants."

15: U.S. Navy --21 [7] (no date) 1944 Formosans
116, 563, 565

"There is a noticeable social line drawn between the commercial Japanese community and the higher ranks of administrative officials and educators. Social distinction between Japanese and Formosans has no sanction in law but in practice there is a minimum of social intercourse."

15: U.S. Navy--29 [10] (no date) 1944 Formosans
116, 584, 565

"The period of probationary agreement is longer or shorter as the means of the families permit or the soothsayers direct. Among the poorest coolies and farmers it is very short or may be almost dispensed with because of the lack of funds or goods for fees and gifts and because of the necessity to get a new woman into the house for cooking, cleaning and working for the welfare of the new family."

15: U.S. Navy--30 [7] (no date) 1944 Formosans
116, 565, 511, 105

"The worldly possessions of a coolie-class Formosan-Chinese, the day laborer of the towns and villages, consist of the blue cotton clothes on his back, and perhaps a change for special occasions, a loose smock-like upper garment and black trousers for his wife with an ornament and black headband to wear upon her head, similar clothes (though perhaps in white or light blue) for the younger members of the family, and the simplest of furniture in the house. A table, benches, one or two wooden springless beds, a brazier for cooking, together with chopsticks, bowls, a pot or two, some cups without handles, and the kitchen knives, make up the furniture. If the family can afford it, there may be a bicycle and a two-wheeled carry-all bicycle trailer called a 'riakka' (from the English 'rear-car'), which can be used for hauling an incredible number of objects, including the elders in the family, or livestock for the market. For those who cannot affort [sic] a bicycle, a simple shoulder pole with ropes and side baskets may suffice as professional equipment. For rainy weather, a coconut palm fiber raincape is worn, making the figure seem grotesque to unfamiliar eyes."

15: U.S. Navy--30 [10] (no date) 1944 Formosans
116, 525, 565

"Coolies and rickshaw men indulge an inordinate fondness for gambling, and gather together in small groups to play a game with pebbles not unlike the game of 'craps'. The Japanese have attempted to discourage the pastime, but with little success. The stakes are very small but they frequently represent all of a day's wages."

42: Schetelig--390-391 T-2 (no date) 1868 Formosans-1-2
116, 423, 556, 565

Formosa was not colonized by the government. The Chinese were, and are, too practical not to know the drawbacks of state interference in colonization in all its extent, and both on the mainland and here in Formosa [391] they have taken good care not to transfer the center of gravity of the Empire to the outside. Consequently... northern and western Formosa must be looked on as a colony of squatters who, however, in the course of the years, have received titles and documents from the mandarins for the land which they had often acquired by the sword. All this was done by means of contracts and compromise, and so it comes about that today, in the midst of a population already numbering millions, and who immigrated comparatively recently, we find a number of old families who, having lived here for centuries, have developed a power that far exceeds that of the Imperial officials, due to the great forces that the possession of land has always put at their disposal. But it is clear that these various parties lend each other support in view of the chaotic condition of a population that has come together from the most varied provinces of the Empire, and in view of the need of exploiting the camphor forests in their own interests both against the Europeans outside the country and the mountain-dwelling natives within. The rich and independent settler of long standing supported the mandarin in maintaining and extending Imperial rights, at least insofar as he himself was not included in them, and on the other hand the mandarin has always been intelligent enough to respect the traditional rights of such an independent leader,

exacting no transport tax for his merchandise and not even hampering him in his destructive war against the extensive camphor woods, although otherwise every infringement of the law concerning the sacredness of the camphor monopoly is looked on as a kind of high treason directed against the Crown.

45:Stanford U. S-4, 5 1956 AD1 Formosa
~~AD1~~ AD1

Annex "A," Subparagraph 1f,
Sociological Background

SOCIAL STRUCTURE

I. SOCIAL STRATIFICATION

1. General Characteristics

565 Originally Formosa was a frontier for adventurers. In the new land people were less constrained by their cultural heritage and more independent. In the documents of the Manchu era it is stated that the Formosan people refused to degrade themselves by servitude, and that male and female servants were imported from the mainland.[1] The two centuries of Manchu rule were interspersed with a sequence of uprisings, some large, some small. The situation did not favor any stereotyped form of social stratification. There were some embryonic elements of a feudal system, but they were wiped out by the Japanese colonial administration. Rich and poor, landlords and tenants, both extremes existed, but under the colonial scheme the rich were not allowed to engage in modern industrial enterprise. The property of the rich was equally divided by their sons at the

1. Yoshihusa Kinebuchi: History of Social Work in Taiwan, 1940, Taipei, pp. 622-623.

565 time of inheritance, so the contrast between the rich and the poor was not striking. In effect, except for the political and ethnic class lines between the ruling Japanese and the ruled Formosans, social stratification was not clearly marked during the Japanese rule.

After the restoration of Formosa to China in 1945, political and ethnic class lines disappeared with the abolition of the colonial system. With the implementation of the Land-to-the-Tiller policy, inequality in land proprietorship was greatly reduced. When the China Mainland was lost to the Communists in 1949, tycoons transferred their capital to other parts of the world, so that there are no extremely wealthy people in Formosa. New industrial development after the restoration may cause economic differentiation in the future, but for the time being, social stratification is not a serious problem in Formosa. This is the general outline. Some specific topics will be considered on the following section.

2. Primary and Secondary Ownership of Land

471 425 Until the early years of the Manchu rule the land in the southern part of the island was agriculturally exploited under the protection of the government. When people began to farm the northern and middle part of the isla

5. Upper Nine Ranks and Lower Nine Ranks

565 During the Manchu era there were three classes in Formosa, namely, (1) officials and gentry, (2) common people, and (3) the "base" class. Although the officials and gentry exercised great influence over the common people, there was no rigid demarcation between the two. When a commoner passed the imperial examinations, he could be appointed an official. The situation of the base class was somewhat different. There was a demarcation between them and other two classes, but eh demarcation was not as rigid as in a caste system.

Each class was divided into several ranks. Among the common people there were the so-called upper nine ranks, including (1) secretaries of officials, (2) physicians, (3) painters, (4) masters of geomancy, (5) fortune tellers, (6) physiognomists, (7) Buddhist monks, (8) Taoist monks, (9) teachers of the lute. The lower nine ranks of the "base" class were: (1) prostitutes, (2) actors, (3) witches, (4) musicians (trumpeters), (5) hog drivers, (6) barbers, (7) male and female servants, (8) masseurs, and (9) grave diggers. Sedan chair carriers were low in the scale of occupations. Obviously the ranking was based on occupation. In pre-modern society it was very common for certain jobs to be looked on as mean, and

565 people engaged in them had a low social status. Conspicuous examples can be found in Japan, Korea, and India. In medieval German cities operators of bath houses, barbers, flute players, drummers, night-watchmen, scavengers, executioners, etc. were treated as "unehrliche leute", and their sons were not allowed to participate in any guild. In Formosa, common people did not marry with the people of the lower nine ranks, and they even hesitated to take a meal with them. The lowest classes were not entitled to take the imperial examinations. When a person passed an imperial examination, he had to prove that, among the three generations of his immediate ancestors no one had engaged in these mean occupations. Otherwise, the title granted by the examination would be canceled. But the disability was confined to the last three generations. In this respect it was different from the rigid slave system or caste system, in which the status was permanently inherited.

This system persisted until the first quarter of the present century. The development of industry and education, and the enlightenment movement after the 1920's have contributed to its elimination. At present, musicians, actors, waiters, barbers, etc. are looked on much the same as those engaged in other occupations, and young people do not even know what the upper and the lower nine ranks are.

52:Barclay S-5 (nodate)1954 AD1 Formosa AD1

against climate and short-term deterioration in use, against destruction through violence, and against decline in the income that it produced. Since the farming population was increasing within a fairly definite area, it had additional value in speculation. Land was also relatively safe against confiscation by the government; not only could its ownership be hidden from casual inspection, but the government itself depended on the obligations owed to landlords by tenants to uphold its authority. Under agrarian conditions of farming on a small scale it is impossible to cultivate large holdings of land under a single management. Hence, the only way to amass large wealth is to become a landlord—beyond some point, necessarily an absentee landlord. In early Taiwan, considerable concentration of landholdings was reported. Ownership tended to gravitate into the control of large and powerful families, whose influence was the only recourse of government officials in asserting their rule.[7]

On the economic side, this concentration of wealth was not given a chance to develop into industrial-type investment. The landed gentry, often landed on considerable scale, were the only group of persons who had access to sufficient income to become capitalists.[8] Practically, however, it proved more secure and profitable to let out their lands to tenant farmers. When they branched out into different enterprises, it was as an adjunct to their status as gentry. In South Taiwan, for example,

> ". . . sugar was manufactured from the cane grown upon the owners' plantations, or from that brought from elsewhere. The cane was grown by the tenants, or by those who through being heavily indebted to the landowner stood in the same relation as retainers . . . under it [this system] the master of the sugar factory secures a threefold profit.
>
> 1. As landlord, he claims from his tenants from 15 per cent. to 20 per cent. of the cane as rent.

[7] One might suspect that, as in China, members of these families *were* the officials at lower levels of administration. But there is no direct evidence on this point, aside from frequent references to the fact that *clan* solidarity, imported to Taiwan by the migrants from South China, was one of the few bases for organizing any kind of joint action by Taiwanese on a large scale.

[8] The government was unable to fill such a role itself for reasons already noted. Officials, who were not permanent fixtures in Taiwan, confined their acquisitive energies to foreign commerce, where returns were quicker and they did not need to make long-term commitments. For example, it is significant that the government almost never operated its own monopolies, but let them out to many private agents and taxed the products as they were exported.

52:Barclay S-5 (nodate)1954 ADl Formosa ADl

2. As capitalist, he secures 14 per cent. to 24 per cent. interest on all the money he may have loaned to his tenant.
3. In order to cover the running expenses of the sugar factory he, as master, appropriates half the cane brought in by his tenants.

"These vast profits leave very little for the poor tenants, who have therefore no means of improving the soil, but fall deeper into debt, until at length they become mere slaves of the sugar factor. This system has proved the greatest hindrance to the growth of the business."[9]

Establishment of Japanese Authority

Japan's objectives in enlarging its Empire required a more energetic administration. With the background of past failures, it is understandable that the Japanese who first arrived in Taiwan met difficulty in trying to impose this kind of rule. It quickly became evident that neither profit nor political dominion was assured to them without some extraordinary measures.

Japanese first installed themselves in economic life exactly where outsiders had done so in the past—at the periphery of traditional marketing and property relations. They remained most active, as we have seen, outside the realm of agriculture proper. Through their steps in gaining access to the old agrarian institutions, we can now begin to see how far these changes impinged on agriculture itself. The Japanese did not proceed by sheer force, nor simply in a form of "economic penetration." The control was made effective by wedding the two channels—business and government—and by manipulating the pre-existing situation from a few vantage points at the outside. To make a success of this endeavor, the Japanese found it expedient to leave much of this rural social structure almost intact, and turn its basic features to their own account.

Histories of Taiwan over this period usually emphasize only the opposition to the new government that was overt and armed. But it was not by military conquest that the Japanese eventually secured the lowland area of the island. The military aspect was over quickly. Organized resistance collapsed by the end of 1895. Within a year or so after formally taking possession, Japanese became aware that direct attempts to alter the old rural state of affairs were too costly and slow, and were ineffectual against guerrilla bands that had wide-

[9] Takekoshi, Yosaburo (1907), p. 243.